

CHAPTER 6

PRIVATE PAYMENTS

Payment Procedures for HECB Generated Warrants, Electronic Fund Transfer Reimbursements, Student Repayments, and Reconciliations

The disbursement procedures presented in this chapter are only for those schools that request HECB-generated student warrant payments and Electronic Fund Transfer Reimbursements. This chapter applies to:

Art Institute of Seattle
Antioch University
Bastyr College
Bryman College
Clare's Beauty College
Cornish College of the Arts
Court Reporting Institute
Crown College
Digipen Institute of Technology
Divers Institute of Technology
Gene Juarez Academy
Glen Dow Academy of Hair Design
Gonzaga University
Henry Cogswell College
Heritage University
Interface Computer School
International Air & Hospitality Academy

ITT Technical Institute – Seattle
ITT Technical Institute – Spokane
North Idaho College
Northwest University
Northwest College of Art
Northwest Indian College
Pacific Lutheran University
Perry Technical Institute
Saint Martin's University
Seattle Pacific University
Seattle University
University of Puget Sound
Walla Walla College
Whitman College
Whitworth College
All other proprietary schools

All private and proprietary schools request, disburse, and reconcile HECB generated warrants, except for schools reimbursed with electronic fund transfers. Once a student is identified as eligible and an award is calculated, the school may request the warrant or reimbursement. Disbursement may occur after the student has enrolled and once all required documentation has been received.

CASH REQUEST PROCEDURE

SNG cash requests must be submitted through the use of the Utility program or as a text file. In either case, the HECB-prescribed format must be followed precisely in order for the payments to be processed. The layout specifications and instructions for the record format are at the end of this chapter. A student's SNG eligibility shall be checked on the archive before funds are requested.

The following information must be provided to order warrants:

Required Information

Institution Code – SNG institution codes are listed in this manual, following the table of contents.

Social Security Number – Social security numbers are used to generate payments and monitor the number of terms a student has received the grant. This field must contain nine numeric digits.

Student's Name – Names shall not be abbreviated, nor shall nicknames be used. A middle initial shall be provided if available. If the student has no middle initial, please leave a blank space.

Amount to be Paid – The amount of the warrant must be requested in whole dollars only.

Term Payment – One of the following term payment codes must be used:

1	=	Summer, First Term Fiscal Year
F	=	Fall Term
W	=	Winter Quarter
S	=	Spring Term
2	=	Summer, Last Term Fiscal Year

Note: The clock hour school payment request calendar is located at the end of this chapter.

Is it a Revised Payment? It is a revised payment if the current warrant request replaces an earlier warrant drawn for the same term. This may occur if there is a reduction in the student's enrollment status resulting in a reduced grant amount or a student has not claimed the warrant within an acceptable time frame. The original warrant must be returned and cancelled by the HECB before a new warrant may be issued. In these cases, the Revised Payment code is marked accordingly in the Request Utility. Additional warrants for the same term will not be produced until the original warrant has been cancelled.

Is it a Supplemental Award? Refers to an additional payment processed for the student for the same term. If the payment is in addition to one already received for the term, the Supplemental Code is marked in the Request Utility. Retroactive payments are not supplemental awards.

Dependent Care Allowance (DCA) - If a student qualifies for DCA and receives it as part of the grant, mark the appropriate box in the Request Utility. If left blank, it is assumed no DCA

was awarded. **Status** refers to the student's expected enrollment status at the time of disbursement. One of the following codes should be used:

- 1 =Full-time Student
- 2 =Half-time Student
- 3 =Three-quarter-time Student
- 5 =4 and 5 credit pilot school students

Payment Request

The FAA is required to provide a statement indicating **the term, number of students, and total amount of the request** in the description field when uploading the file through the Signature less Document Submission feature. **The request will not be accepted without this required information**

CASH REQUEST PROCESSING DEADLINES

Cash requests may be made on a weekly basis from mid-July through mid-June of the fiscal year. Cash requests received by noon each **Tuesday** will be processed that week. Warrants will be mailed to the institutions within two weeks and Electronic Fund Transfer (EFT) reimbursements will be processed immediately.

ELECTRONIC FUND TRANSFER REIMBURSEMENT SCHOOLS

Schools that have been approved to receive EFT reimbursements shall follow the same cash request procedures as the schools requesting individual SNG warrants. The difference is that the EFT schools have already paid the SNG eligible students out of institution funds. The students should be given a choice to receive either an institution warrant for SNG dollars or a deposit to their student account.

Once the cash request is received, the HECB will process the request immediately. There is a five day minimum reimbursement turnaround.

Adjustment/Cancellation Report

EFT schools are required to submit an “Adjustment/Cancellation Report” prior to submitting a new cash request to account for all payment changes since the prior request. This keeps a running reconciliation and ensures an accurate balance at all times.

Monthly Repayment Report

EFT schools are responsible for collecting their own SNG repayments. A monthly repayment tracking report needs to be submitted for all existing students currently in repayment status.

DISBURSEMENT PROCEDURES

The school must confirm that the student's enrollment status at the time of disbursement is consistent with the enrollment status covered by the warrant.

Student disbursement options

For HECB and institution-generated SNG payments, each student must have the opportunity to receive a warrant that may be deposited at his or her own bank or to request that the SNG funds be applied to his or her student account at the institution.

A school may not withhold or delay the disbursement of a HECB-generated SNG check due to any student debt, including tuition, fees, or fines to the institution.

Conditions of Award Statements

Prior to disbursement, the institution must inform the SNG recipient of his or her responsibilities to the program through a "Conditions of Award" statement. A template of the statement may be found at the end of this chapter.

The statement must be annually presented or delivered to the student through paper or electronic means. The Conditions of Award does not have to be signed by the student as long as the school can provide assurances to the HECB that the terms of the SNG award were presented to the student. It is the school's responsibility to maintain documentation that the conditions were presented to the student.

Power of Attorney Disbursements

A student whose off-campus program precludes his or her return to the institution for disbursement must assign Power of Attorney to a responsible person to receive SNG payments on his or her behalf. A copy of the Power of Attorney as documentation must be kept in the student's file.

**INSTITUTIONAL
RESPONSIBILITY
FOR WARRANTS**

The institution is responsible for all SNG warrants while they are held at the institution, and is responsible for notifying the HECB of warrants that are lost, stolen, or disbursed to ineligible students.

Disburse in 30 Days

Warrants must be disbursed to the student or returned to the HECB within 30 days of receipt by the institutions. An extension may be granted on a case-by-case basis by contacting the HECB. It is not acceptable for an institution to retain any warrant beyond the 30 day period without HECB permission.

**Procedure for
Cancelling SNG
Warrants**

If a student fails to enroll, withdraws from a program, reduces the enrollment rate, or does not claim his or her warrant in a 30 day period, the warrant must be returned to the HECB for cancellation. A warrant will be reissued if necessary.

To return warrant(s) for cancellation, private and proprietary institutions must complete the SNG Warrant Cancellation Cover Sheet and send it with the original HECB-generated warrant(s) to the HECB for cancellation. The cover sheet must include the **student's name, social security number, warrant number, dollar amount, and a reason for the return.** This form may be found at the end of this chapter as well as on the HECB secure Website under the SNG "Memos/Forms" link.

**REPAYMENTS AS A
RESULT OF
WITHDRAWAL**

Repayment is a student responsibility. If a grant recipient leaves school during an academic term in which he or she received a SNG, the student is required to repay according to the institution's HECB-approved repayment policy.

**Notification to
Student and HECB**

The collection effort is conducted by the HECB **for students at private and proprietary schools.** The institution must advise the student, in writing, of the amount to be repaid, and notify the HECB via a repayment transmittal form along with a copy of the correspondence to the student. This form may be found at the end of this chapter and on the Website. Documentation of the student's repayment obligation must be kept in the student's file.

HECB Follow-up

SNG warrants will not be processed for any student who owes a repayment referred to the HECB until the account has been paid in full. The HECB will advise the institution, in writing, when

the student has repaid the obligation in full.

Supplemental Funding

The HECB will notify the institution throughout the year of supplemental funds that may be reawarded to students from repayments received during the current fiscal year.

Temporary Repayment Accounts

Temporary SNG Repayment Accounts (\$1.00 accounts) are created on the HECB system after notification of students that are in repayment status on the SNG Interim Reports. Served students in repayment are flagged with a “Y” in the repayment field. These accounts are created to place students on the Archive before an actual repayment transmittal is forwarded to the HECB, preventing students in repayment status from receiving aid at another school.

If the student repays the obligation to the school, it is the school’s responsibility to inform the HECB. **If the school does not inform the HECB, then the \$1.00 repayment account will continue to appear on the Archive and the student will be ineligible for further SNG disbursements.**

Repayments of less than \$50 shall not be referred to the HECB.

TRANSFER STUDENTS

Students who have received an SNG award at one school are eligible to receive transfer funds at the school they are transferring to if the transfer is completed within the same academic year. Transfer funds may be requested on behalf of the transferring student by the receiving school submitting a Transfer Fund Request Form.

If a HECB-generated warrant is received from the sending school, return it to the HECB. **Do not disburse it to the student.**

For additional transfer fund information, please refer to the Transfer Student chapter.

SPECIAL PROGRAM: TRIO GRANT

Students recognized as graduates of a TRIO program are eligible for special awards during the regular nine-month academic year.

Schools will identify this award as a TRIO grant in the appropriate screen of the Request Utility program.

For additional information please refer to the chapter on TRIO/GEAR UP.

**VALIDATION
REPORTS**

Following each interim report, the HECB will upload a discrepancy spreadsheet for private schools. The schools are expected to review each line item, make the appropriate changes to their data system, and **notify the HECB of the corrections**. This validation process is a separate process from the interim/reconciliation report process.

Year-End Reporting

The July validation report that follows the July interim report data upload represents an end-of-the-year final reconciliation.

**ADDITIONAL NOTES:
CLOCK-HOUR
SCHOOLS**

In order to equate the clock-hour students to the credit-hour students a policy has been developed that makes the annual award amount equitable at both types of institutions.

Payment Periods

1. Payments will be made on a minimum basis of 300 clock hours per term.
2. Payments may be requested for individual students once every ten weeks. The eligible student may receive up to five payments in one fiscal year.
3. Additional payments are not to be disbursed until the clock hours for which the previous payment was made have been earned. Exceptions may be made on the basis of the institution's probationary policy (see Chapter III) if that policy was approved as part of the Institutional Agreement to Participate.
4. For a full-time full-year student (900 clock hours) the school is required to serve the eligible students who remain in good standing for at least three payment periods. Payments beyond three within an academic year are made at the institution's discretion.

**Clock-Hour Payment
Request Calendar**

Payment periods are described as periods 1-5. However, due to mainframe limitations at the HECB, the payment periods must still be referred to as "F, W, S..." in corresponding term.

Assign the payment based on when the majority of the enrollment will occur.

Payment Period	Date Range	Term
1	July 1 – September 11	Summer 1
2	September 12 – November 22	Fall
3	November 23 – February 5	Winter
4	February 6 – April 18	Spring
5	April 19 – June 30	Summer 2

Last Payment Request Date is June 8, 2007.

Table based on ten-week minimum between payment periods, five payment period maximum.

Additional clock hours earned beyond a full disbursement that were clocked prior to July 1 of the next academic year may be carried over. For example, if a student earned 980 hours in an academic year and was awarded for two 450 hour terms, the 80 remaining hours may be carried into the next academic year.

WASHINGTON STATE NEED GRANT (SNG) PROGRAM
CONDITIONS OF AWARD

You are being considered for a Washington SNG. If you receive this grant, there are five special conditions, listed below, with which you must comply. If you have questions or find that you may not comply with these conditions, please see the Financial Aid Administrator (FAA) at the institution you are attending.

1. You do not owe a refund or repayment on a SNG, a Pell Grant, or a Supplemental Education Opportunity Grant; nor are you in default on a loan made, insured, or guaranteed under the Perkins, National Direct, or Federal Family Education Loan programs. In addition, you are not in default on a loan made through a state conditional loan or conditional scholarship program.
2. This grant is awarded to assist in meeting your educational expenses, and should you withdraw from classes, repayment of all or a part of the grant may be required.
3. You may choose to voluntarily make financial contributions to the Higher Education Coordinating (HECB) in recognition of this **SNG**. All voluntary contributions will be used to provide financial assistance to other students.
4. The offer of a **SNG** is subject to, and conditioned upon, the availability of funds. The Higher Education Coordinating HECB and the institution through which the grant is awarded reserve the right to withdraw, reduce, or modify the grant due to funding limitations or due to changes in circumstances which affect your eligibility for the **SNG**.
5. You are not pursuing a degree in theology.

**WASHINGTON STATE NEED GRANT PROGRAM
REPAYMENT TRANSMITTAL FORM**

PRIVATE/PROPRIETARY INSTITUTION

Institution Name: _____ **Code:** _____

This is to inform the Higher Education Coordinating Board that the following student has been determined to be in repayment of State Need Grand funds.

Student's Name: _____

Social Security Number: _____

Last Known Address: _____

Phone Number: _____

Parent's Information: _____

Address: _____

Phone Number: _____

Repayment Information:

Fiscal Year: _____ 20 - 20

Term: _____

Orig Enroll. Status: _____

Amount Owed: _____

Date Student Notified In Writing of This Repayment: _____

(Please retain copies of these records in student's file)

Reason Student Was Placed In Repayment: _____

Name and Title of Preparer

Date

**WASHINGTON STATE NEED GRANT PROGRAM
PRIVATE INSTITUTION WARRANT REQUEST RECORD**

RECORD FORMAT AND INSTRUCTIONS

FIELD NAME	COLUMNS	NOTES/COMMENTS
Record ID	1	Constant Value of "P"
Institution Code	2 - 5	Numeric, leading zero
Transaction Date	6 - 13	Format MMDDYYYY
Student Social Security #	14 - 22	Numeric, leading zeroes
Student LAST Name	23 - 52	Alpha, left justified, blank filled to right
Student FIRST Name	53 - 82	Alpha, left justified, blank filled to right
Student MIDDLE INITIAL	83	Alpha, may be blank
Amount Requested	84 - 89	Numeric, PIC 9999V99, No decimal point
Term Code	90	F = Fall W = Winter S = Spring 1 = Summer, first term of fiscal year 2 = Summer, second term of fiscal year
Revised Payment Flag	91	Must be Y or Blank
Supplemental Payment Flag	92	Must be Y or Blank
Status Code*	93	Must be 1, 2, or 3
DCA Included Flag	94	Must be Y or Blank
Payment Status	95	Blank (HECB USE ONLY)
Filler	96 - 120	Must be Blank (not null)

This format is required by institutions not using the Warrant Request Utility Program and are requesting Board-generated student payments for State Need Grant (SNG) funds.

Multiple Entries: If a student received more than one term of SNG, a separate request must be made for each term that SNG is being offered.

<u>File Information:</u>	Logical Record Length	120 characters
	Blocking Factor	100 records per block

**WASHINGTON STATE NEED GRANT PROGRAM
RECORD IDENTIFICATION - PRIVATE INSTITUTIONS
PAYMENT WARRANT RECORD
(Instructions for use with text files)**

	<u>COLUMNS</u>	<u>DESCRIPTION</u>
Record ID:	1	Each record must begin with the letter "P"
Institution Code:	2 - 5	Numeric, four digit, see SNG Program Manual
Transaction Date:	6 - 13	Date payment requested or date tape/diskette information processed, MMDDYYYY
Student Social Security #	14 - 22	Numeric, must be nine digits, cannot be blank or alpha
Student LAST Name:	23 - 52	Must be alpha, left justified, blank filled to right
Student FIRST Name:	53 - 82	Must be alpha, left justified, blank filled to right
Student MIDDLE Initial:	83	Must be alpha or blank
Amount Requested:	84 - 89	In dollars and cents. The total amount disbursed to the student for the term. Amount disbursed is six digits. Precede amount requested by zeroes if appropriate. The cents portion of the grant should be actual amount received or "00", no decimal point.
Term Code:	90	Identify term in which the payment was requested: F = Fall W = Winter S = Spring 1 = Summer, first term of fiscal year 2 = Summer, second term of fiscal year
Revised Payment Flag:	91	Must be blank (used by private schools only)
Supplemental Payment Flag:	92	Must be blank (used by private schools only)
Status Code*:	93	Status at time of request: 1 = full time student 2 = half time student 3 = three quarter time student 5 = one quarter time student
DCA Included Flag:	94	Must be "Y" for yes or leave blank for no
Payment Status:	95	Must be blank (HECB use only)
Filler	96 - 120	Must be blank (NOT NULL CHARACTERS) (HECB use only)

This format is required by institutions not using the Warrant Request Utility Program and are requesting HECB-generated student payments for SNG funds.

Multiple Entries: If a student received more than one term of SNG, a separate request must be made for each term that SNG is being offered.

WASHINGTON STATE NEED GRANT PROGRAM
ARCHIVE CHECK REPORT

***** INCLUDES ASSOCIATE DEGREE DATA *****

RECORD FORMAT

In this **SNG Archive** file, records are listed in alphabetical order by student's last name. File format is ASCII text. Each record is 52 characters in length and is terminated by a carriage return/line feed. Each record layout is as follows:

FIELD NAME	NOTES/COMMENTS
Student Social Security #	Numeric, nine digits, no hyphens
Student LAST Name	Alpha, left justified, blank filled to right
Student FIRST Name	Alpha, left justified, blank filled to right
Student MIDDLE INITIAL	Alpha, may be blank
Institution Code Last school where student received SNG	Numeric, four digits
Repayment Flag If code = 1, student is in repayment	Will be 1 or blank, no alpha
Maximum SNG Flag If code = 2, student received max (15 qtrs) award	Will be 2 or blank, no alpha
Eligibility Flag If code = 3, student < 3 years of eligibility remaining	Will be 3 or blank, no alpha
Quarter Equivalent Remaining (QER) If 4.5 QER, it will appear as 0450 Blank for students in repayment status and/or students has received maximum terms of SNG	Numeric, leading zeros
Associate Degree Code If code = 4, student received AA with SNG funds	Will be 4 or blank, no alpha
Fiscal Year Fiscal year that student becomes eligible for SNG while pursuing 2 nd associate degree	Numeric, four digit fiscal year
Term Term that student becomes eligible for SNG funds while enrolled in a 2 nd associate degree program	Alpha or numeric F=Fall, W=Winter, S=Spring 1=Summer, first term of fiscal year 2=Summer, last term of fiscal year

SAMPLE VIEW of DOWNLOADED FILE

555982001	MONEY	OWEN	U20401	
333447788	GRANT	NITA	B4320	2
444667789	DONE	ALMOST	2030	30300
111223333	GRATEFUL	WILL	B1020	42005F

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DATA REPRESENTS:

Ineligible student, in repayment status
Ineligible, Maximum 15 quarters received
Three quarters eligibility remaining
AA Degree, Ineligible for SNG until Fall 2005

WASHINGTON STATE NEED GRANT PROGRAM ARCHIVE CHECK REPORT

***** EXCLUDES AA DEGREE DATA *****

RECORD LAYOUT AND FORMAT

In this **SNG Archive** file, records are listed in alphabetical order by student's last name. File format is ASCII text. Each record is 46 characters in length and is terminated by a carriage return/line feed. Each record layout is as follows:

FIELD NAME	COLUMNS	NOTES/COMMENTS
Student Social Security #	1 - 9	Numeric, nine digits, no hyphens
Student LAST Name	10 - 24	Alpha, left justified, blank filled to right
Student FIRST Name	25 - 34	Alpha, left justified, blank filled to right
Student MIDDLE INITIAL	35	Alpha, maybe blank
Institution Code Last school where student received SNG	36-39	Numeric, four digits
Repayment Flag If code = 1, student in repayment	40	Will be 1 or blank, no alpha
Maximum SNG Flag If code = 2, student received max award	41	Will be 2 or blank, no alpha
Eligibility Flag If code = 3, student < 3 yrs of eligibility remaining	42	Will be 3 or blank, no alpha
Quarter Equivalent Remaining (QER) If 4.5 QER, it will appear as 0450 Blank for students in repayment status and/or for students who received maximum terms of SNG	43 - 46	Numeric, leading zeros or blank

SAMPLE FORMAT

111223333	GRATEFUL	WILL	B1020	30300	3 quarter equivalent remaining (QER)
333447788	GRANT	NITA	B4320	2	Maximum 15 quarters received
555982001	MONEY	OWEN	U20401		Ineligible, in repayment status

WASHINGTON STATE NEED GRANT PROGRAM

2006-2007 Warrant Cancellation Cover Sheet

Date:

To:

Rena Watts, SNG Program

From:

Institution Name:

Phone:

Student	SSN	Amount	Warrant#	Reason for Return

TOTAL:

\$0

0

Comments:

Higher Education Coordinating Board
917 Lakeridge Way SW/ PO Box 43430
Olympia, WA 98504-3430
Phone: 360-753-7800